GROSS MARGARET A
77 STATE 188738

UNCLASSIFIED EXDIS OR ONLY

93 K

DEPARTMENT OF STATE A/CDC/MR
REVIEWED BY BAT Cook DATE 2/12/80
7025 R

UNCLASSIFIED
PAGE 01 STATE 188738 TOSEC 080271
ORIGIN SS-15
INFO OCT-01 ISO-00 EA-09 CCO-00 SSO-00 ONY-00
DRAFTED BY P:JDFORBES:CHG
APPROVED BY P - MR FORBES
S/S-0 - RPERITO
DFSIFED DISTRIBUTION
P, AND EA ONLY

-----077289 102000Z 56

O 011940Z AUG 77 ZFF4
FM SECSTATE WASHDC
TO USDEL SECRETARY IMMEDIATE
UNCLAS STATE 188738 TOSEC 080271
FOR UNDER SECRETARY HABIB
E.O. 11652:N/A
TAGS: PFOR, KS
SUBJECT: STAF ARTICLE ON TONGSUN PARK
FOLLOWING IS TEXT OF LEAD ARTICLE APPEARING IN AUGUST 10
WASHINGTON STAR UNDER HEADLINE "SECRET ATTEMPT TO QUIZ
TONGSUN PARK"
A SECRET EFFORT BY THE HOUSE ETHICS COMMITTEE TO QUESTION
TONGSUN PARK HAS FAILED. RAISING QUESTIONS WHETHER THE
FUGITIVE KOREAN BUSINESSMAN'S TESTIMONY EVER WILL BE AVAIL-
ABLE IN INVESTIGATIONS OF ALLEGED INFLUENCE-BUYING ON
CAPITOL HILL.
INVESTIGATORS FROM THE ETHICS PANEL, SENT TO LONDON OVER
THE PAST WEEKEND BY THE COMMITTEE CHAIRMAN, JOHN J. FLYNT,
MET WITH PARK AND ATTEMPTED TO GAIN HIS COOPERATION IN
UNCLASSIFIED
UNCLASSIFIED
PAGE 02 STATE 188738 TOSEC 080271
THEIR EIGHT-MONTH-OLD INQUIRY INTO ALLEGATIONS THAT MEMBERS
OF CONGRESS, AND POSSIBLY EXECUTIVE BRANCH OFFICIALS,
ACCEPTED CASH PAYMENTS AND FAVORS FROM AGENTS OF SOUTH KOREA.
IN A SCHEME THAT WASKEPTSECRET EVEN FROM MOST COMMITTEE
MEMBERS, FLYNT HAD PLANNED TO SLIP QUIETLY AWAY FROM AN
INSPECTION TOUR OF NATO INSTALLATIONS IN EUROPE TO PER-
SONALLY PARTICIPATE IN THE INTERROGATION OF PARK.
ACCORDING TO SOURCES CLOSE TO THE COMMITTEE, THE MISSION
FAILED WHEN PARK REFUSED TO PROVIDE ANY INFORMATION ABOUT
THE PAYMENTS HE ALLEGEDLY MADE TO AMERICAN OFFICIALS
DURING THE EARLY 1970S.
POSSIBLY OF EVEN GREATER SIGNIFICANCE, THE CONGRESSIONAL
INVESTIGATORS REPORTEDLY QUOTED PARK AS SAYING IN STRONG
TERMS THAT HE WOULD NOT RETURN TO THE U.S. UNDER ANY CIR-
CUMSTANCE, EVEN IF HE WERE INDICTED AND EXTRADITION PRO-
CEEDINGS AGAINST HIM WERE BEGUN.
ONE SOURCE SAID THAT PARK, WHO HAD FLED THE U.S. LAST FALL
AFTER A FEDERAL GRAND JURY BEGAN INVESTIGATING HIS
ACTIVITIES, CITED "FEARS FOR THE LIVES AND ASSETS, NOT
ONLY OF HIS FAMILY, BUT OF HIS FRIENDS AS WELL."

THE REPORTED ASSESSMENT BY CONGRESSIONAL INVESTIGATORS OF PARK'S UNWILLINGNESS TO COOPERATE IN THE VARIOUS PROBES UNDOUBTEDLY WILL DAMPEN ENTHUSIASM IN SOME QUARTERS OVER REPORTED EFFORTS BY THE CARTER ADMINISTRATION TO CONVINCE PARK TO RETURN FROM ENGLAND TO TESTIFY.
HOW MUCH OF A SETBACK TO THE GRAND JURY INVESTIGATION OF POSSIBLE CRIMINAL VIOLATIONS IN THE KOREAN SCANDAL WAS

NOT IMMEDIATELY CLEAR.
HOWEVER, IN A PUBLIC STATEMENT TWO WEEKS AGO, BENJAMIN CIVILETTI, HEAD OF THE JUSTICE DEPARTMENT'S CRIMINAL DIVISION, ACKNOWLEDGED THAT THE CRIMINAL INVESTIGATION THUS FAR HAS BEEN UNABLE TO OBTAIN SUFFICIENT EVIDENCE TO INDICT EVEN PARK, THE CENTRAL FIGURE IN THE INQUIRY. ATTY. GEN. GRIFFIN B. BELL SUBSEQUENTLY REVEALED THAT HIGH-LEVEL DIPLOMATIC MANEUVERING WAS GOING ON, EVIDENTLY WITH THE SOUTH KOREAN GOVERNMENT AND POSSIBLY INVOLVING PRESIDENT CARTER HIMSELF, TO PRESSURE PARK TO RETURN TO THE U.S. TO TESTIFY.
PARK'S COOPERATION ALSO COULD BE CRUCIAL TO THE TWO CONGRESSIONAL INVESTIGATIONS OF KOREAN ACTIVITY ON CAPITOL HILL -- THE HOUSE PROBE AND THE FLEDGLING INQUIRY BY THE SENATE ETHICS COMMITTEE.
SOURCES FAMILIAR WITH THE HOUSE PROBE REVEALED YESTERDAY THAT FLYNT'S ETHICS COMMITTEE BELIEVES THAT IT IS WITHIN A FEW WEEKS OF WINDING UP ITS STAFF INVESTIGATION, BUT THAT MONTHS OF SORTING THROUGH DOCUMENTARY EVIDENCE AND INTERVIEWING WITNESSES HAD LEFT SCORES OF UNANSWERED QUESTIONS AND CONFLICTING ACCOUNTS THAT ONLY PARK COULD ANSWER AND UNRAVEL.
ONE SOURCE SAID, FOR EXAMPLE, THAT ACCOUNTANTS FOR THE COMMITTEE HAVE BEEN POURING OVER PARK'S FINANCIAL RECORDS FOR WEEKS, BUT STILL CANNOT ESTIMATE HIS ASSETS TO WITHIN $22 MILLION. "THEY'RE SOMEWHERE BETWEEN $6 MILLION AND $30 MILLION;" HE SAID. THE COMMITTEE'S ACCOUNTANTS "CANNOT TIE IT DOWN ANY CLOSER THAN THAT."
IT WAS NOT CLEAR WHAT PROMPTED LEADERS OF THE HOUSE COMMITTEE TO BELIEVE THAT PARK MIGHT AGREE TO COOPERATE IN

THE PANEL'S INVESTIGATION. SO FAR AS IS KNOWN, FEDERAL INVESTIGATORS HAVE NOT BEEN IN TOUCH WITH HIM SINCE HE LEFT THE U.S.
PHILIP LACOVARA, THE COMMITTEE'S FORMER SPECIAL COUNSEL, IS KNOWN TO HAVE TRIED UNSUCCESSFULLY TO CONTACT PARK WHILE VACATIONING IN BRITAIN LAST MONTH. MOREOVER, PARK'S LEGAL ADVISERS IN THE U.S. ARE KNOWN TO HAVE CAUTIONED AGAINST VOLUNTEERING INFORMATION IN THE INVESTIGATION UNLESS AN INDICTMENT IS RETURNED AGAINST HIM.

DECLASSIFIED

DECLASSIFIED

THE ETHICS COMMITTEE, HOWEVER, WAS SAID TO HAVE ENLISTED THE ASSISTANCE OF A FORMER ASSOCIATE OF PARK IN ITS EFFORTS TO INTERVIEW THE KOREAN IN ENGLAND. THE ASSOCIATE, WHOSE IDENTITY COULD NOT BE DETERMINED IMMEDIATELY, WAS SAID BY SOURCES TO HAVE ACCOMPANIED INVESTIGATORS IN AN EFFORT TO CONVINCE PARK TO DISCUSS HIS PREVIOUS ACTIVITIES. ORIGINALLY, ACCORDING TO SOURCES, PARK WAS TO HAVE BEEN APPROACHED LATER THIS MONTH WHILE FLYNT WAS IN EUROPE WITH OTHER MEMBERS OF THE HOUSE DEFENSE APPROPRIATES SUBCOMMITTEE. FLYNT HAD PLANNED TO SLIP AWAY FROM THE NATO TOUR FOR A CLANDESTINE RENDEZVOUS WITH THE COMMITTEE INVESTIGATORS AND THE PARK ASSOCIATE IN LONDON, AND THE TEAM WAS THEN TO ATTEMPT TO INTERROGATE PARK, SOURCES SAID.

EVIDENTLY FEARING THAT IT WOULD LEAK TO REPORTERS, ONLY A HANDFUL OF COMMITTEE AND STAFF MEMBERS WERE APPRISED OF THE SCHEME, REPORTEDLY CONCOCTED BY FLYNT MORE THAN A WEEK AGO.

THE ORIGINAL PLAN WENT AWRY EARLY LAST WEEK WHEN FLYNT

UNCLASSIFIED
UNCLASSIFIED

SLIPPED ON A PATCH OF WET GRASS AT HIS HOME AND SEVERELY INJURED HIS FOOT.

AS A RESULT, FLYNT, HOBBLED BY HIS INJURY, ORDERED HIS COMMITTEE INVESTIGATORS LAST WEEK TO APPROACH PARK WITHOUT HIM, SOURCES SAID.

ALTHOUGH THE INJURY DISRUPTED HIS PLAN TO GO TO ENGLAND, FLYNT EVIDENTLY DECIDED TO PROCEED WITH HIS PLANNED NATO INSPECTION TOUR WITH OTHER MEMBERS OF THE APPROPRIATIONS SUBCOMMITTEE. THE GROUP WAS TO HAVE LEFT FROM WASHINGTON TODAY.

FLYNT COULD NOT BE CONTACTED LAST NIGHT. A COMMITTEE SPOKESMAN, JAY JAFFE, DECLINED COMMENT.

THE INVESTIGATORS WHO SPOKE WITH PARK REPORTEDLY WERE STILL EN ROUTE FROM ENGLAND.

IT COULD NOT BE DETERMINED IMMEDIATELY EITHER WHERE THEIR MEETING WITH PARK TOOK PLACE OR FOR HOW LONG THE INTERVIEW LASTED.

ONE SOURCE DESCRIBED THE MEETING AS "FRIENDLY, TO THE POINT, BUT THE ANSWER WAS NO."

ONE OF THE QUESTIONS THE COMMITTEE WAS HOPING COULD BE RESOLVED CONCERNS A LIST OF FEDERAL OFFICIALS WHO ALLEGEDLY RECEIVED CASH PAYMENTS FROM PARK. THE LIST, PROVIDED TO THE JUSTICE DEPARTMENT BY A FORMER CLOSE ASSOCIATE OF PARK, JAY SHIN RYU, HAS BECOME A KEY PIECE OF EVIDENCE IN THE KOREAN INVESTIGATION.

OTHER THAN THE ALLEGED RECIPIENTS, HOWEVER, PARK EVIDENTLY IS THE ONLY PERSON WHO CAN TESTIFY WITH CERTAINTY THAT THE PAYMENTS ACTUALLY WERE MADE.

UNCLASSIFIED
UNCLASSIFIED

DECLASSIFIED

ACCORDING TO SOURCES, OTHER EVIDENCE OBTAINED BY THE COMMITTEE SUGGESTS THAT THE RYU LIST MAY EMBELLISH THE AMOUNTS OF THE PAYMENTS -- AND POSSIBLY THE NUMBER OF INDIVIDUALS WHO RECEIVED THEM.
THE LIST REPORTEDLY WAS PREPARED BY PARK IN AN EFFORT TO EXAGGERATE, IN ORDER TO IMPRESS THE K.C.I.A., HIS INFLUENCE WITH AMERICAN OFFICIALS. IN TURN, COMMITTEE INVESTIGATORS BELIEVE, PARK WAS ABLE TO OBTAIN ADDITIONAL MONEY FROM THE KCIA FOR HIS ACTIVITIES.
ACCORDING TO SOURCES, COMMITTEE INVESTIGATORS HAVE BECOME CONVINCED THAT A LARGE AMOUNT OF THE MONEY THAT SUPPOSEDLY WAS TO BE PAID TO MEMBERS OF CONGRESS--POSSIBLY MILLIONS OF DOLLARS--ACTUALLY WAS DIVERTED BY PARK FOR HIS PERSONAL USE. CHRISTOPHER
UNCLASSIFIED

DECLASSIFIED